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**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/27/03

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
**Housing Authority of Rapides Parish**  
Boyce, Louisiana

We have audited the accompanying financial statements of the **Housing Authority of Rapides Parish (HARP)**, as of and for the year ended December 31, 2002, as listed in the Table of Contents. These financial statements are the responsibility of **HARP's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **HARP** as of December 31, 2002, and the results of its operations and cash flows of its enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
**Housing Authority of Rapides Parish**  
Boyce, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2003, on our consideration of **HARP's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit. Also, that report contained an instance of noncompliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2003

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**BALANCE SHEET--ENTERPRISE FUND**  
**DECEMBER 31, 2002**

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**ASSETS**

Cash and temporary cash investments (NOTE 2)	\$ 533,728
Amounts receivable, net (NOTE 11)	178,197
Prepaid and other assets, net	19,603
Land, structures and equipment, net (NOTES 3 AND 5)	<u>3,153,554</u>
 Total assets	 <u>\$3,885,082</u>

**LIABILITIES AND EQUITY**

Liabilities:

Amounts payable (NOTE 4)	\$ 67,477
Compensated absences payable	26,794
Security deposits held for tenants (NOTE 2)	<u>10,788</u>

Total liabilities	<u>105,059</u>
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Equity:

Contributed capital (NOTE 5)	9,624,419
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Retained deficit:

Unreserved retained deficit	<u>(5,844,396)</u>
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Total equity	<u>3,780,023</u>
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Total liabilities and equity	<u>\$ 3,885,082</u>
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The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**RETAINED DEFICIT--ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

---

Operating Revenues:	
Dwelling rental	\$ 248,072
Other income	<u>5,794</u>
Total operating revenues	<u>253,866</u>
Operating Expenses:	
Salaries and employee benefits	273,442
Repairs and maintenance	39,463
Contractual services	55,496
Utilities	56,901
Depreciation	443,327
Insurance	50,578
Housing assistance payments	330,306
Convention, training and travel	60,782
Telephone	11,460
General	18,846
Bad debt	5,889
Payment in lieu of taxes	<u>19,117</u>
Total operating expenses	<u>1,365,607</u>
Operating loss	<u>(1,111,741)</u>
Non-operating Revenues:	
Grants and subsidies	846,931
Interest income	5,425
Other	<u>30,711</u>
Total non-operating revenues	<u>883,067</u>
Net loss	(228,674)
Retained deficit, beginning of year	<u>(5,615,722)</u>
Retained deficit, end of year	<u>\$(5,844,396)</u>

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
STATEMENT OF CASH FLOWS--ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

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Operating loss	\$(1,111,741)
Adjustments to reconcile net loss to net cash provided by (used) in operating activities:	
Depreciation	443,327
Bad debt	5,889
Increase in amounts receivables	(148,543)
Increase in prepaid and other assets	(3,236)
Increase in amounts payables	41,127
Increase in compensated absences payables	2,330
Decrease in security deposits held for tenants	<u>(3,040)</u>
Net cash used in operating activities	<u>(773,887)</u>
Cash Flows from Investing Activities:	
Interest received	<u>5,425</u>
Cash provided by investing activities	<u>5,425</u>
Cash Flows from Noncapital Financing Activities:	
Subsidies from Federal and City grants and other	<u>877,642</u>
Cash provided by noncapital financing activities	<u>877,642</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of fixed assets	(106,821)
Other	<u>4,650</u>
Net cash used in capital and related financing activities	(102,171)
Net increase in cash and temporary cash investments	7,009
Cash and temporary cash investments, beginning of year	<u>526,719</u>
Cash and temporary cash investments, end of year	\$ <u>533,728</u>
Interest paid during 2002	\$ <u>-0-</u>

The accompanying notes are an integral part of the financial statements.



**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Background and General Data:

Background

The **Housing Authority of Rapides Parish (HARP)** is a public corporation, legally separate and fiscally independent and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. **HARP** has been contracted by HUD to administer Low-Income and Housing Choice Voucher Programs (FW-2021) and (FW-2116), respectively, under Annual Contribution Contracts.

As of December 31, 2002, **HARP** was primarily engaged in the administration of Low-Income and Housing Choice Voucher Programs to Low-Income residents in the towns of Boyce, Glenmora, Cheneyville, and LeCoute, Louisiana. Under the Low-Income Program, **HARP** provides eligible families housing under leasing arrangements. For the Housing Choice Voucher Program, **HARP** provides funds in the form of rental subsidies to owners on behalf of the tenants.

Financial Reporting Entity

**HARP** has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the Town of Boyce.

Government Accounting Standards Board (GASB) Statement No. 14, "Financial Reporting Entity" established standards for defining and reporting on the financial entity. GASB 14 indicates that the focal point for identifying the financial reporting entity is the primary government which is considered to be any state government or general purpose local government or a special-purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued

Financial Reporting Entity, Continued

**HARP** was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB 14. Accordingly, management has concluded that **HARP** is a financial reporting entity within the meaning of the provisions of GASB 14.

Basis of Presentation

As required by Louisiana State Reporting Law (LRS-R.S. 24:514) and HUD regulations, financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of **HARP** are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

Proprietary Fund Type - Proprietary fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. **HARP** applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. **HARP's** fund include the following type:

Enterprise Fund - Enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued:

Basis of Presentation, Continued

**HARP** adopted the provisions of GASB 33 (Accounting and Financial Reporting for Non-Exchange Transactions) effective for fiscal years that began after June 15, 2000.

Under GASB 33 Standards, **HARP** recognizes assets, liabilities, revenues and expenditures under its government-mandated and voluntary non-exchange transactions as follows:

- **HARP** recognized assets and liabilities when all applicable eligibility requirements are met for or resources received whichever is first;
- Revenues and expenses are recognized when all applicable, eligibility requirements are met;
- Transactions with time requirements received prior to the satisfaction of the time requirement(s) are recorded by **HARP** as revenue upon award.

Budgets

**HARP** prepares an annual budget for its proprietary fund. Prior to the beginning of the calendar year on January 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board.

**HARP** does not present its budget to actual comparison for the enterprise fund as part of its financial statement as accounting principles generally accepted in the United States of America does not require such, despite adoption of annual budget by the Board.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued:

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Statement of Cash flows

For purposes of the statement of cash flows, **HARP** considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments.

Land, Structures and Equipment

Land, structures and equipment are recorded at cost. Donated assets are valued at estimated fair value on the date donated. When no historical records are available, fixed assets are valued at estimated historical cost. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized in the enterprise fund.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued:

Land, Structures and Equipment, Continued

Structures and equipment with cost of \$200 or more are capitalized and depreciated in the enterprise fund of **HARP** using the following estimated useful lives:

<u>Assets</u>	<u>Estimated Useful Lives</u>
Land improvements	15
Building	33
Building improvements	15
Equipment	3-7

Compensated Absences

**HARP** follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expense in the enterprise fund when leave is earned.

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfer. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Background and General Data, Continued

Interprogram Activities, Continued

Interprogram due from and to are netted at the combined financial statements level.

Total Memorandum Only

The total column on the accompanying combining financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - Cash and Temporary Cash Investments:

At December 31, 2002, **HARP's** cash balances and securities consisting of certificates of deposit are as follows:

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Maturity</u>	<u>Carrying Value</u>	<u>Approximate Market Value</u>
Cash	N/A	N/A	\$283,746	\$283,746
Certificate of Deposit	Varying	14 days	59,349	59,349
Certificate of Deposit	Varying	14 days	33,510	33,510
Certificate of Deposit	Varying	14 days	53,561	53,561
Certificate of Deposit	Varying	14 days	53,562	53,562
Certificate of Deposit	Varying	7 days	<u>50,000</u>	<u>50,000</u>
			<u>\$533,728</u>	<u>\$533,728</u>



**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Cash and Temporary Cash Investments, Continued:

Included in cash and temporary cash investments at December 31, 2002, is tenant security deposits of \$10,788.

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of **HARP**.

At December 31, 2002, the carrying amount of **HARP**'s cash deposits was \$283,746 and the cumulative bank balance was \$291,645. The bank balances are covered by federal depository insurance and collateral held by the pledging institution's agent in **HARP**'s name.

Investments are categorized as Category 1. Category 1 represents cash insured or collateralized with securities held by the pledging financial institution's trust department or agent in **HARP**'s name.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 3 - Land, Structures and Equipment:

As of December 31, 2002, land, structures, and equipment consisted of the following:

	Balance January 1, 2002	Additions	(Retirements)	Other Changes	Balance December 31, 2002
Land and land improvements	\$ 249,961	\$ -0-	\$ -0-	\$ -0-	\$ 249,961
Buildings and building improvements	9,223,658	-0-	-0-	-0-	9,223,658
Equipment	343,163	37,915	(51,998)	(4,416)	324,664
Construction-in-progress	<u>-0-</u>	<u>68,906</u>	<u>-0-</u>	<u>-0-</u>	<u>68,906</u>
	9,816,782	106,821	(51,998)	(4,416)	9,867,189
Less accumulated depreciation	<u>(6,322,072)</u>	<u>(443,327)</u>	<u>51,998</u>	<u>(234)</u>	<u>(6,713,635)</u>
Total	<u>\$3,494,710</u>	<u>\$(336,506)</u>	<u>\$ -0-</u>	<u>\$(4,650)</u>	<u>\$ 3,153,554</u>

NOTE 4 - Amounts Payable:

At December 31, 2002, amounts payable of \$67,477 consisted of outstanding obligations to various vendors.



**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 5 - Contributed Capital:

At December 31, 2002, contributed capital consisted primarily of reclassification of HUD guaranteed debt previously recorded on the books of **HARP** as payable by HUD and secured by annual contributions. The debt does not constitute an obligation of **HARP** and accordingly has not been reported in the accompanying financial statements. Contributed capital also includes the net of accumulated expenses, grants and subsidies of **HARP**. An analysis of contributed capital follows:

Balance <u>January 1, 2002</u>	Net <u>Additions</u>	Balance <u>December 31, 2002</u>
<u>\$9,624,419</u>	<u>\$-0-</u>	<u>\$9,624,419</u>

NOTE 6 - Retirement System:

Plan Description

**HARP** participates in a single employer defined contribution plan. The Housing Authority of Rapides Parish Retirement Plan (the Plan) is authorized and may be amended by the Board of Commissioners.

Plan Funding

Funding for the system is through a contribution of 14% and 7.5% by **HARP** and its employees, respectively. The contribution amount is based on the employee's base salary each month.

**HARP's** gross payroll for the year ended December 31, 2002, was \$199,052. **HARP** and employee contributions made for the year ended December 31, 2002, amounted to \$24,044 and \$13,350, respectively.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 7 - Risk Management:

**HARP** is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HARP** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 8 - Concentration of Credit Risk:

**HARP** receives primarily all of its revenues from dwelling rentals and the Department of Housing and Urban Development (HUD). If the amount of revenues received from both dwelling rentals and HUD falls below contract levels, **HARP's** operating results could be adversely affected.

NOTE 9 - Contingencies:

**HARP** is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to **HARP**. These examinations may result in required refunds by **HARP** to the agencies and/or program beneficiaries.

NOTE 10 - Commitments:

At December 31, 2002, **HARP** has executed capital fund program awards with the U.S. Department of Housing and Urban Development totaling \$509,726. (See Schedule IV). Cumulative outstanding commitments at December 31, 2002, was \$282,041.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 11 - Amounts Receivable:

At December 31, 2002, amounts receivable consisted of the following:

Amounts receivable - HUD	\$174,123
Amounts receivable - Tenants	<u>4,527</u>
Less allowance for doubtful accounts	<u>(453)</u>
Net	<u>\$178,197</u>

## **SUPPLEMENTARY INFORMATION**



**Member**

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**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners  
**Housing Authority of Rapides Parish**  
Boyce, Louisiana

Our report on our audit of the financial statements of the **Housing Authority of Rapides Parish (HARP)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule I) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The supplementary information (Schedules II, III, and IV) which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION  
(CONTINUED)**

Also, the supplementary information (Exhibits I and II), which is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2003

**EXHIBIT I**

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
COMBINING BALANCE SHEET--ENTERPRISE FUND  
DECEMBER 31, 2002**

	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
<b>ASSETS</b>					
Cash	\$ 217,473	\$-0-	\$ -0-	\$ 66,273	\$ 283,746
Amounts receivable, net	4,074	-0-	115,755	58,368	178,197
Prepaid and other assets, net	19,603	-0-	-0-	-0-	19,603
Investments	249,982	-0-	-0-	-0-	249,982
Due from other funds	154,369	-0-	-0-	-0-	154,369
Land, structures and equipment, net	<u>3,083,949</u>	<u>-0-</u>	<u>68,905</u>	<u>700</u>	<u>3,153,554</u>
Total assets	<u>\$ 3,729,450</u>	<u>\$-0-</u>	<u>\$184,660</u>	<u>\$125,341</u>	<u>\$ 4,039,451</u>
<b>LIABILITIES AND EQUITY</b>					
Liabilities:					
Amounts payable	\$ 10,502	\$-0-	\$ 56,975	\$ -0-	\$ 67,477
Compensated absences payable	24,793	-0-	-0-	2,001	26,794
Security deposits held for tenants	10,788	-0-	-0-	-0-	10,788
Due to other funds	<u>-0-</u>	<u>-0-</u>	<u>58,780</u>	<u>95,589</u>	<u>154,369</u>
Total liabilities	<u>46,083</u>	<u>-0-</u>	<u>115,755</u>	<u>97,590</u>	<u>259,428</u>
Equity:					
Contributed capital	9,624,419	-0-	-0-	-0-	9,624,419
Retained deficit:					
Unreserved retained earnings (deficit)	<u>(5,941,052)</u>	<u>-0-</u>	<u>68,905</u>	<u>27,751</u>	<u>(5,844,396)</u>
Total equity	<u>3,683,367</u>	<u>-0-</u>	<u>68,905</u>	<u>27,751</u>	<u>3,780,023</u>
Total liabilities and equity	<u>\$ 3,729,450</u>	<u>\$-0-</u>	<u>\$184,660</u>	<u>\$125,341</u>	<u>\$ 4,039,451</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED DEFICIT--ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
Operating Revenues:					
Dwelling rental	\$ 248,072	\$ -0-	\$ -0-	\$ -0-	\$ 248,072
Other income	<u>5,794</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,794</u>
Total operating revenues	<u>253,866</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>253,866</u>
Operating Expenses:					
Salaries and employee benefits	253,612	-0-	-0-	19,830	273,442
Repairs and maintenance	39,463	-0-	-0-	-0-	39,463
Contractual services	50,804	-0-	-0-	4,692	55,496
Utilities	56,901	-0-	-0-	-0-	56,901
Depreciation	443,094	-0-	-0-	233	443,327
Insurance	44,565	-0-	-0-	6,013	50,578
Housing assistance payments	-0-	-0-	-0-	330,306	330,306
Convention, travel and travel	53,639	-0-	-0-	7,143	60,782
Telephone	10,035	-0-	-0-	1,425	11,460
General	17,391	-0-	-0-	1,455	18,846
Payment in lieu of taxes	19,117	-0-	-0-	-0-	19,117
Bad debt	<u>5,889</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,889</u>
Total operating expenses	<u>994,510</u>	<u>-0-</u>	<u>-0-</u>	<u>371,097</u>	<u>1,365,607</u>
Operating loss	<u>(740,644)</u>	<u>-0-</u>	<u>-0-</u>	<u>(371,097)</u>	<u>(1,111,741)</u>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**RETAINED DEFICIT--ENTERPRISE FUND, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
Non-operating revenues:					
Grants and subsidies	\$ 340,988	\$-0-	\$127,685	\$378,258	\$ 846,931
Interest income	5,425	-0-	-0-	-0-	5,425
Other	<u>30,711</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>30,711</u>
Total non-operating revenues	<u>377,124</u>	<u>-0-</u>	<u>127,685</u>	<u>378,258</u>	<u>883,067</u>
Income (loss) before transfers	(363,520)	-0-	127,685	7,161	(228,674)
Transfers in	58,780	-0-	-0-	-0-	58,780
Transfers out	<u>-0-</u>	<u>-0-</u>	<u>(58,780)</u>	<u>-0-</u>	<u>(58,780)</u>
Net income (loss)	(304,740)	-0-	68,905	7,161	(228,674)
Retained earnings (deficit), beginning of year	(5,636,312)	-0-	-0-	20,590	(5,615,722)
Retained earnings (deficit), end of year	<u>\$(5,941,052)</u>	<u>\$-0-</u>	<u>\$68,905</u>	<u>\$ 27,751</u>	<u>\$(5,844,396)</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE I**

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development (HUD):			
<u>Subject to Annual Contributions Contracts</u>			
Public and Indian Housing Operating Subsidy	14.850a*	FW-2021	\$340,988
Housing Choice Voucher Program	14.871*	FW-2116	378,258
Public and Indian Housing Capital Fund Program	14.872	FW-2021	<u>127,685</u>
Total			<u>\$846,931</u>

\*Denotes major program as defined by OMB A-133

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of **HARP** and is presented on an accrual basis of accounting. The information on this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET**  
**DECEMBER 31, 2002**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Public Housing Comprehensive Improvement Assistance Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Voucher Program</u>	<u>Totals (Memorandum Only)</u>
111	Cash - unrestricted	\$203,844	\$-0-	\$-0-	\$66,273	\$ 270,117
114	Cash - tenant security deposits	<u>13,629</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>13,629</u>
100	Total cash	<u>217,473</u>	<u>-0-</u>	<u>-0-</u>	<u>66,273</u>	<u>283,746</u>
122	Accounts receivable - HUD other projects	-0-	-0-	115,755	58,368	174,123
125	Accounts receivable - miscellaneous	-0-	-0-	-0-	-0-	-0-
126	Accounts receivable - tenants dwelling rents	4,527	-0-	-0-	-0-	4,527
126.1	Allowance for doubtful accounts-dwelling rents	<u>(453)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(453)</u>
120	Total receivables, net of allowances for doubtful accounts	<u>4,074</u>	<u>-0-</u>	<u>115,755</u>	<u>58,368</u>	<u>178,197</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED**  
**DECEMBER 31, 2002**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Public Housing Comprehensive Improvement Assistance Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Voucher Program</u>	<u>Totals (Memorandum Only)</u>
131	Investments	\$ 249,982	\$-0-	\$ -0-	\$ -0-	\$ 249,982
142	Prepaid expenses and other assets	13,132	-0-	-0-	-0-	13,132
143	Inventories	6,471	-0-	-0-	-0-	6,471
144	Interprogram due from	<u>154,369</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>154,369</u>
150	Total current assets	<u>645,501</u>	<u>-0-</u>	<u>115,755</u>	<u>124,641</u>	<u>885,897</u>
161	Land	6,645	-0-	-0-	-0-	6,645
162	Buildings	9,223,658	-0-	-0-	-0-	9,223,658
163	Furniture, equipment & machinery- dwellings	99,388	-0-	-0-	-0-	99,388
164	Furniture, equipment & machinery- administration	223,877	-0-	-0-	1,400	225,277
165	Leasehold improvements	243,316	-0-	-0-	-0-	243,316
166	Accumulated depreciation	(6,712,935)	-0-	-0-	(700)	(6,713,635)
167	Construction in progress	<u>-0-</u>	<u>-0-</u>	<u>68,905</u>	<u>-0-</u>	<u>68,905</u>
160	Total fixed assets, net of accumulated depreciation	<u>3,083,949</u>	<u>-0-</u>	<u>68,905</u>	<u>700</u>	<u>3,153,554</u>
180	Total non-current assets	<u>3,083,949</u>	<u>-0-</u>	<u>68,905</u>	<u>700</u>	<u>3,153,554</u>
190	Total	<u>\$ 3,729,450</u>	<u>\$-0-</u>	<u>\$184,660</u>	<u>\$125,341</u>	<u>\$ 4,039,451</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED  
DECEMBER 31, 2002

Line Item No.	Account Description	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
312	Accounts payable ≤ 90 days	\$ 10,472	\$-0-	\$ 56,975	\$ -0-	\$ 67,447
322	Miscellaneous payable	30	-0-	-0-	-0-	30
354	Accrued compensated absences- current portion	5,239	-0-	-0-	182	5,421
331	Accrued compensated absences- noncurrent portion	19,554	-0-	-0-	1,819	21,373
333	Accounts payable - HUD PHA programs	-0-	-0-	-0-	-0-	-0-
341	Accounts payable -other	-0-	-0-	-0-	-0-	-0-
347	Tenant security deposits	10,788	-0-	-0-	-0-	10,788
	Interprogram due to	-0-	-0-	58,780	95,589	154,369
310	Total current liabilities	46,083	-0-	115,755	97,590	259,428
353	Noncurrent liabilities - other	-0-	-0-	-0-	-0-	-0-
350	Total noncurrent liabilities	-0-	-0-	-0-	-0-	-0-
300	Total liabilities	46,083	-0-	115,755	97,590	259,428
504	Net HUD PHA contributions	9,624,419	-0-	-0-	-0-	9,624,419
508	Total contributed capital	\$9,624,419	\$-0-	\$ -0-	\$ -0-	\$9,624,419

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING BALANCE SHEET, CONTINUED**  
**DECEMBER 31, 2002**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Public Housing Comprehensive Improvement Assistance Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Voucher Program</u>	<u>Totals (Memorandum Only)</u>
512	Undesignated fund balance/retained earnings (deficit)	<u>\$(5,941,052)</u>	<u>\$-0-</u>	<u>\$ 68,905</u>	<u>\$ 27,751</u>	<u>\$(5,844,396)</u>
513	Total equity	<u>3,683,367</u>	<u>-0-</u>	<u>68,905</u>	<u>27,751</u>	<u>3,780,023</u>
600	Total liabilities and equity	<u>\$ 3,729,450</u>	<u>\$-0-</u>	<u>\$184,660</u>	<u>\$125,341</u>	<u>\$ 4,039,451</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Public Housing Comprehensive Improvement Assistance Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Voucher Program</u>	<u>Totals (Memorandum Only)</u>
703	Net tenant rental revenue	\$248,072	\$-0-	\$ -0-	\$ -0-	\$ 248,072
704	Tenant revenue - other	<u>5,794</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,794</u>
705	Total tenant revenues	253,866	-0-	-0-	-0-	253,866
706	HUD PHA grants	340,988	-0-	25,280	378,258	744,526
706.1	Capital grants	-0-	-0-	102,405	-0-	102,405
711	Investment income - unrestricted	5,425	-0-	-0-	-0-	5,425
715	Other revenue	<u>30,711</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>30,711</u>
700	Total revenues	<u>630,990</u>	<u>-0-</u>	<u>127,685</u>	<u>378,258</u>	<u>1,136,933</u>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF RAPIDES PARISH**

**BOYCE, LOUISIANA**

**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2002**

Line Item No.	Account Description	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
911	Administrative salaries	\$ 95,018	\$-0-	\$-0-	\$11,646	\$106,664
912	Auditing fees	3,540	-0-	-0-	2,000	5,540
913	Outside management fees	1,787	-0-	-0-	-0-	1,787
914	Compensated absences	-0-	-0-	-0-	543	543
915	Employee benefit contributions- administrative	34,972	-0-	-0-	7,641	42,613
916	Other operating-administrative	75,485	-0-	-0-	11,440	86,925
931	Water	45,460	-0-	-0-	-0-	45,460
932	Electricity	9,937	-0-	-0-	-0-	9,937
933	Gas	1,504	-0-	-0-	-0-	1,504
941	Ordinary maintenance and operations -labor	91,924	-0-	-0-	-0-	91,924
	Page total	359,627	-0-	-0-	33,270	392,897

See Independent Auditors' Report on Supplementary Information.



SCHEDULE III

Page 3 of 4

HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANAFINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2002

Line Item No.	Account Description	PHA Owned Housing Program	Public Housing Comprehensive Improvement Assistance Program	Capital Fund Program	Housing Choice Voucher Program	Totals (Memorandum Only)
942	Ordinary maintenance and operations- materials and other	\$39,463	\$-0-	\$-0-	\$-0-	\$ 39,463
943	Ordinary maintenance and operations- contract costs	38,776	-0-	-0-	-0-	38,776
945	Employee benefit contributions- ordinary maintenance	29,911	-0-	-0-	-0-	29,911
961	Insurance premiums	44,565	-0-	-0-	6,013	50,578
963	Payment in lieu of taxes	19,117	-0-	-0-	-0-	19,117
964	Bad debt - tenant rents	5,889	-0-	-0-	-0-	5,889
962	Other general expense	<u>14,068</u>	<u>-0-</u>	<u>-0-</u>	<u>1,275</u>	<u>15,343</u>
969	Total operating expenses	<u>551,416</u>	<u>-0-</u>	<u>-0-</u>	<u>40,558</u>	<u>591,974</u>
970	Excess of operating revenues over operating expenses	<u>79,574</u>	<u>-0-</u>	<u>127,685</u>	<u>337,700</u>	<u>544,959</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**BOYCE, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--COMBINING STATEMENT OF REVENUES AND EXPENSES, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Line Item No.</u>	<u>Account Description</u>	<u>PHA Owned Housing Program</u>	<u>Public Housing Comprehensive Improvement Assistance Program</u>	<u>Capital Fund Program</u>	<u>Housing Choice Voucher Program</u>	<u>Total (Memorandum Only)</u>
	Other Expenses:					
972	Casualty losses - not capitalized	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
973	Housing assistance payments	-0-	-0-	-0-	330,306	330,306
974	Depreciation expense	<u>443,094</u>	<u>-0-</u>	<u>-0-</u>	<u>233</u>	<u>443,327</u>
900	Total expenses	<u>994,510</u>	<u>-0-</u>	<u>-0-</u>	<u>371,097</u>	<u>1,365,607</u>
	Other Financing Sources (Uses):					
1001	Operating transfer in	58,780	-0-	-0-	-0-	58,780
1002	Operating transfer out	<u>-0-</u>	<u>-0-</u>	<u>(58,780)</u>	<u>-0-</u>	<u>(58,780)</u>
1000	Excess (deficiency) of operating revenues over expenses	<u>\$(304,740)</u>	<u>\$-0-</u>	<u>\$ 68,905</u>	<u>\$ 7,161</u>	<u>\$ (228,674)</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE IV**

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA  
STATEMENT OF CAPITAL FUND PROGRAM COST (INCOMPLETE)  
FROM INCEPTION THROUGH THE YEAR ENDED DECEMBER 31, 2002**

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	<u>LA48P129-501-01</u>	<u>LA48P129-501-00</u>	<u>TOTAL</u>
Funds approved	\$256,920	\$ 252,806	\$ 509,726
Funds expended	<u>-0-</u>	<u>(227,685)</u>	<u>(227,685)</u>
Excess of funds approved	<u>\$256,920</u>	<u>\$ 25,121</u>	<u>\$ 282,041</u>
 Funds Advanced:			
Grant funding	\$ <u>-0-</u>	\$ <u>111,930</u>	\$ <u>111,930</u>
Total funds advanced	-0-	111,930	111,930
Funds expended	<u>-0-</u>	<u>(227,685)</u>	<u>(227,685)</u>
Excess (deficiency) of funds advanced	<u>\$ -0-</u>	<u>\$(115,755)</u>	<u>\$(115,755)</u>

See Independent Auditors' Report on Supplementary Information.



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Paul K. Andoh, Sr., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

---

Board of Commissioners  
**Housing Authority of Rapides Parish**  
Boyce, Louisiana

We have audited the financial statements of the **Housing Authority of Rapides Parish (HARP)** as of and for the year ended December 31, 2002, and have issued our report thereon dated June 23, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether **HARP's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS  

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(CONTINUED)

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **HARP's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of **HARP** in a separate letter dated June 23, 2003.

This report is intended solely for the information and use of the Board of Commissioners, **HARP's** management, the Legislative Auditor, State of Louisiana and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than those specified parties.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2003



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners  
**Housing Authority of Rapides Parish**  
Boyce, Louisiana

**Compliance**

We have audited the compliance of the **Housing Authority of Rapides Parish (HARP)** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. **HARP's** major federal programs are identified in the Summary of Auditor's Results section of the accompanying Summary Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **HARP's** management. Our responsibility is to express an opinion on **HARP's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

types of compliance requirements previously referred to that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **HARP's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **HARP's** compliance with those requirements.

In our opinion, **HARP** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Summary Schedule of Findings and Questioned Costs as item 2002-01.

**Internal Control Over Compliance**

The management of **HARP** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **HARP's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133  
(CONTINUED)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, HARP's management, the Legislative Auditor, State of Louisiana, and the United States Department of Housing and Urban Development and is not intended to, and should not be used by anyone other than those specified parties.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2003



**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable condition (s) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal Control Over Major Programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Program
14.850a	Low Rent Public Housing Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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**Section II - Financial Statement Findings**

No financial statement findings were reported for the audit period ended December 31, 2002.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section III - Federal Award Finding and Questioned Costs**

**Reference Number**

2002-01

**Federal Programs**

Housing Choice Voucher Program (See Schedule of Expenditures of Federal Awards).

**Criteria**

Pursuant to the requirements of the Consolidated Annual Contribution Contracts and 24 CFR Parts 812, 813, 887 and 982, as applicable.

**Condition**

Our review of Housing Choice Voucher Program files revealed the following:

- Two (2) of ten (10) files selected lacked evidence of third party verification of income; and
- One (1) of ten (10) files selected lacked evidence of Form 9886 (Release of Information Form).

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section III - Federal Award Finding and Questioned Costs, Continued**

**Reference Number, Continued**

2002-01

**Questioned Costs**

None.

**Context**

**HARP** at December 31, 2002, had approximately one hundred and seven (107) Housing Choice Voucher Program units under lease.

**Effect**

Non-compliance with the requirements of the Annual Contribution Contract and 24 CFR.

**Cause**

Lack of an adequate tenant file documentation system to ensure an effective follow-up and completion of **HARP's** tenant certification and/or re-certification process.

**Recommendation**

We recommend that management of **HARP** establish and implement the necessary procedures to ensure that tenant files contain all required documentation. In addition, management should develop procedures that ensure the timely follow-up and conclusion of the tenant certification and/or re-certification process, as applicable.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section III - Federal Award Finding and Questioned Costs, Continued**

**Reference Number**

2002-01

**Management's Response**

The management of **HARP** continues to improve on its tenant documentation processes. Additional training will be provided to staff by no later than October 31, 2003.

**HOUSING AUTHORITY OF RAPIDES PARISH**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

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**Section IV - Status of Prior Years' Finding and Questioned Costs**

**Reference Number**

2001-01

**Condition**

Our review of twenty-six (26) disbursements revealed seven (7) instances where the required written documentation to support the basis for the type of procurement process used and resulting conclusion were unavailable.

It is our understanding through discussion with management that all items were properly procured, however, without the benefit of the appropriate written documentation.

**Current Status**

Resolved.

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA**

**EXIT CONFERENCE**

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An exit conference was held with a representative of **HARP**. The contents of this report were discussed and management indicated their concurrence in all material respects. The following were in attendance.

**HOUSING AUTHORITY OF RAPIDES PARISH  
BOYCE, LOUISIANA**

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Ms. Pat Boss

—

Executive Director

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Paul K. Andoh, Sr., CPA

—

Partner





**Member**

American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**

Ms. Pat Boss, Executive Director  
**Housing Authority of Rapides Parish**

In planning and performing our audit of the financial statements of the **Housing Authority of the Parish of Rapides (HARP)**, we considered **HARP's** internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

As a part of our audit, we noted certain matters that are opportunities for strengthening internal control and improving operating efficiency. We previously reported on **HARP's** internal control in our report dated June 23, 2003. This letter does not affect our report dated June 23, 2003, on **HARP's** internal control or its financial statements.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**  
**(CONTINUED)**

The following summarizes our comments and suggestions regarding the matters previously discussed.

**Condition**

HARP does not have an established procedure to ensure the complete review and approval of all bank account reconciliations performed by its fee accountant.

**Recommendation**

We recommend that management re-evaluate its process of accepting financial information from its fee accountant to include a complete review and approval of the information.

**Management's Response**

It is management's intent to initiate a process by no later than September 30, 2003.

**Condition**

HARP's operating bank account reconciliation for the month ended December 31, 2002, contained a check outstanding for more than three (3) months.

**Recommendation**

We recommend that management identify those items requiring research and resolution as part of its monthly bank account reconciliation review process. Such a procedure will assist in the timely and adequate resolution of reconciling items requiring further analysis and/or research.

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**  
**(CONTINUED)**

**Management's Response**

Management will institute the necessary procedures by no later than September 30, 2003 to address stale dated checks.

**Condition**

In our review of paid invoices, we noted no evidence to support the mathematical verification of invoices as a part of the cash disbursement process.

**Recommendation**

We recommend that management include in its cash disbursement process, evidence of a mathematical verification component.

**Management's Response**

HARP as part of its cash disbursement process, verifies the mathematical accuracy of its invoices. However, management will institute the necessary procedure to ensure evidence of the practice. Anticipated resolution date is no later than August 31, 2003.

**Condition**

Two bank accounts maintained by HARP, are not earning interest at a level comparable to the cash deposits held at its financial institution.

**Recommendation**

Management should explore other investment tools, aimed at the maximization of its available funds.

**INDEPENDENT AUDITORS' COMMENT TO MANAGEMENT**  
**(CONTINUED)**

**Management's Response**

Management has contacted its financial institution and requested a review of its accounts aimed at the placement of its available funds in a higher yield "vehicle". Anticipated resolution date is no later than November 30, 2003.

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As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions and/or require further detail, please do not hesitate to call.

This report is intended solely for the information and use of the Board of Commissioners, management, United States Department of Housing and Urban Development, Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

June 23, 2003